(c) and (d) The monetary and credit policy for 2001-02 permitted banks to formulate fixed deposit schemes specifically meant for senior citizens offering them higher and fixed rates of interest as compared to normal deposits of any size. Many banks have already implemented the scheme.

White paper on financial position of Kerala

2542. SHRI N.K. PREM ACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the "White papers" published by Kerala in respect of the financial position;

(b) if so, what is Government's reaction thereto;

(c) whether Government have received any memorandum seeking financial package to overcome the financial crisis of Kerala; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) In order to improve the fiscal situation, there is a need for Kerala to embark upon a fiscal reforms programme. Pursuant to the recommendations of the Eleventh Finance Commission (EFC) on Additional Term of Reference, Ministry of Finance has set up an Incentive Fund for Fiscal Reforms of the States including Kerala. Given the broad contours of the fiscal objectives recommended by EFC, the States have been invited to draw their respective Medium Term Fiscal Reforms Programme aimed at improvement in revenue deficit/ surplus of the State.

(c) and (d) Government of Kerala has recently submitted a memorandum to the Government of India. The issues contained in the memorandum concern different Central Ministries and include request for moratorium on loan repayment concerning Ministry of Finance.

Government of India is generally guided by the recommedations of the Finance Commission, in the matter of debt waiver/moratorium. Eleventh Finance Commission has recommended a scheme of debt waiver, which has been accepted by the Government of India. No moratorium has been recommended for Kerala and there is no provision for selective reopening of the issue.